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**COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE**

ALEXANDRIA, LOUISIANA

JUNE 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

NOV 03 1999

Release Date _____

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE

JUNE 30, 1999

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PAYNE, MOORE & HERRINGTON, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Receiving Home, Inc.
d/b/a Renaissance

We have audited the accompanying balance sheet of Community Receiving Home, Inc., d/b/a Renaissance (a nonprofit corporation) as of June 30, 1999, and the related statements of support and revenue and expenses and changes in fund balances for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Renaissance as of June 30, 1999, and the results of its operations and changes in its fund balances for the year then ended in conformity with generally accepted accounting principles.

MARVIN A. JUNEAU, C.P.A.
K. FRED RANDOW, C.P.A.
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ROBERT L. LITTON, C.P.A.
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L. PAUL HOOD, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

Board of Directors
Community Receiving Home, Inc.
d/b/a Renaissance

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 1999, on our consideration of Renaissance's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Payne, Moore & Herrington, LLP
Certified Public Accountants

August 24, 1999

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE
BALANCE SHEET
JUNE 30, 1999

EXHIBIT A

	CURRENT FUNDS	ENDOWMENT FUNDS	PLANT FUNDS	TOTAL ALL FUNDS
ASSETS				
Cash	\$ 206,058	\$ 7,989	\$	\$ 214,047
Certificates of deposit	56,439	16,654		73,093
Accounts receivable	154,874			154,874
Accrued interest receivable	432	350		782
Dietary inventories	2,692			2,692
Prepaid expenses	14,504			14,504
Property and equipment - depreciated cost			<u>579,167</u>	<u>579,167</u>
<u>TOTAL ASSETS</u>	<u>\$434,999</u>	<u>\$24,993</u>	<u>\$579,167</u>	<u>\$1,039,159</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 28,811			\$ 28,811
Deposits held for others	3,376			3,376
Payroll taxes and other employee withholdings	2,880			2,880
Accrued salaries	42,342			42,342
Accrued vacation pay	24,523			24,523
Deferred lease income	12,577			12,577
Total Liabilities	<u>114,509</u>	<u>-0-</u>	<u>-0-</u>	<u>114,509</u>
FUND BALANCES (Exhibit C)				
Unrestricted:				
Designated for public information	5,697			5,697
Designated for Shelter Care		1,987		1,987
Undesignated	<u>314,793</u>			<u>314,793</u>
Total Unrestricted	320,490			322,477
Restricted				
Net investment in plant			579,167	579,167
Total Fund Balances	<u>320,490</u>	<u>24,993</u>	<u>579,167</u>	<u>924,650</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$434,999</u>	<u>\$24,993</u>	<u>\$579,167</u>	<u>\$1,039,159</u>

The accompanying notes are an integral part of the financial statements.

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE
STATEMENT OF SUPPORT AND REVENUE AND EXPENSES
YEAR ENDED JUNE 30, 1999

	DESIGNATED	CURRENT FUNDS.....	TOTAL	ENDOWMENT FUNDS	PLANT FUNDS	TOTAL ALL FUNDS
SUPPORT AND REVENUE						
Local government	\$	770,616	\$ 770,616			\$ 770,616
State government		609,366	609,366			609,366
Grants		41,952	41,952			41,952
Interest	169	3,843	4,012	950		4,962
Subleases		31,417	31,417			31,417
Contributions		518	518			518
Miscellaneous		2,450	2,450			2,450
Total Support and Revenue	<u>169</u>	<u>1,460,162</u>	<u>1,460,331</u>	<u>950</u>	<u>-0-</u>	<u>1,461,281</u>
EXPENSES						
Salaries		862,729	862,729		89,457	862,729
Depreciation						89,457
Client food and clothing		102,514	102,514			102,514
Payroll taxes		72,342	72,342			72,342
Utilities		34,036	34,036			34,036
Group insurance		42,253	42,253			42,253
Maintenance and repairs		40,574	40,574			40,574
Insurance		44,102	44,102			44,102
Retirement		16,349	16,349			16,349
Office and postage		26,438	26,438			26,438
Accounting and other professional fees		8,283	8,283			8,283
Counseling fees		9,288	9,288			9,288
Travel and seminars		14,557	14,557			14,557
Client supplies and allowances		11,305	11,305			11,305
Telephone		11,603	11,603			11,603
Dues and subscriptions		5,652	5,652			5,652
Automobile expense		7,168	7,168			7,168
Accreditation expense		4,670	4,670			4,670
Advertising		1,451	1,451			1,451
Bad debt expense		2,111	2,111			2,111
Planning expense		2,560	2,560			2,560
Medical supplies and fees		16,510	16,510			16,510
Equipment rental		4,128	4,128			4,128
Total Expenses	<u>-0-</u>	<u>1,340,623</u>	<u>1,340,623</u>	<u>-0-</u>	<u>89,457</u>	<u>1,430,080</u>
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES BEFORE CAPITAL ADDITIONS	169	119,539	119,708	950	(89,457)	31,201
CAPITAL ADDITIONS						
Contributions				400		400
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES AFTER CAPITAL ADDITIONS	<u>\$169</u>	<u>\$ 119,539</u>	<u>\$ 119,708</u>	<u>\$1,350</u>	<u>\$(89,457)</u>	<u>\$ 31,601</u>

The accompanying notes are an integral part of the financial statements.

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1999

EXHIBIT C

	DESIGNATED	CURRENT FUNDS UNDESIGNATED	TOTAL	ENDOWMENT FUNDS	PLANT FUNDS	TOTAL ALL FUNDS
FUND BALANCES, BEGINNING OF YEAR	\$5,528	\$224,628	\$230,156	\$23,643	\$639,250	\$893,049
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENSES (Exhibit B)	<u>169</u>	<u>119,539</u>	<u>119,708</u>	<u>1,350</u>	<u>(89,457)</u>	<u>31,601</u>
Plus (Less):	5,697	344,167	349,864	24,993	549,793	924,650
TRANSFERS	—	(29,374)	(29,374)	—	29,374	—
Plant/equipment acquisitions	—	—	—	—	—	—
<u>FUND BALANCES, END OF YEAR</u>	<u>\$5,697</u>	<u>\$314,793</u>	<u>\$320,490</u>	<u>\$24,993</u>	<u>\$579,167</u>	<u>\$924,650</u>

The accompanying notes are an integral part of the financial statements.

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE

JUNE 30, 1999

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Community Receiving Home, Inc., d/b/a Renaissance is a quasi-governmental corporation located in Alexandria, Louisiana, which provides community based multifunction juvenile justice support intervention. Programs provided include secure detention, home detention, group home rehabilitation, shelter care, and aftercare. The range of children served includes children who may be delinquent, in need of supervision, neglected, and/or abused.

Primary funding is derived from a parish-wide ad valorem tax administered by the Rapides Parish Police Jury. Support from the tax is recognized when allocation is approved by the Police Jury, in accordance with a contract between the two parties dated December 9, 1975.

Basis of Accounting

The financial statements have been prepared on an accrual basis and in conformity with standards promulgated by the American Institute of Certified Public Accountants and Governmental Accounting Standards Series Statement No. 29 of the Governmental Accounting Standards Board, *The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities*.

Basis of Presentation

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by the following fund groups:

1. Current funds represent expendable funds used to carry out the operations of the Organization in accordance with its bylaws.
2. Endowment funds represent the principal amount of gifts accepted with the donor stipulation that the principal be maintained intact in perpetuity, with only the income to be utilized.

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE

JUNE 30, 1999

NOTES TO FINANCIAL STATEMENTS

3. Plant funds are designed to account for funds expended for plant assets. Plant fund acquisitions are financed through current operations and accounted for as transfers to plant funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Materials and Services

Donated materials are reflected as contributions at their estimated value at the date of receipt and are recorded as expenses for current operations. In addition, the Organization receives at no cost certain agricultural commodities from the State of Louisiana. These commodities are recorded as grant revenue based upon a market valuation placed thereon by the Department of Agriculture, Food Distribution Division.

Donated services have not been reflected in the accompanying financial statements since no objective basis is available to measure the value of such services.

Accounts Receivable

Accounts receivable are charged to income when they become uncollectible. In the opinion of management, all receivables were collectible, and an allowance for doubtful accounts was not considered necessary at June 30, 1999.

Dietary Inventory

Dietary inventory is carried at lower of cost or market by use of the first-in, first-out method of accounting.

Property, Equipment, and Depreciation

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets. The cost of maintenance and repairs is charged to income as incurred; however, significant renewals and improvements are capitalized.

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE

JUNE 30, 1999

NOTES TO FINANCIAL STATEMENTS

Income Taxes

Renaissance is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable Louisiana law. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

2. CASH

Current Funds

Cash on hand	\$ 600
Noninterest-bearing checking accounts	3,567
Interest-bearing checking and savings accounts	<u>201,891</u>
	\$206,058

Endowment Fund

Interest-bearing checking account	\$ 7,989
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3. CERTIFICATES OF DEPOSIT

Certificates of deposit are invested in various financial institutions located in the central Louisiana area. These certificates have a stated interest rate ranging from 3.37 percent to 5.05 percent per annum and will mature within seven months of the balance sheet date.

4. ACCOUNTS RECEIVABLE

Rapides Parish Police Jury	\$ 63,000
State of Louisiana - Department of Public Safety and Corrections	57,790
State of Louisiana - Department of Social Services	17,575
State of Louisiana - Department of Education - Bureau of Food and Nutrition	2,778
Other parishes and municipalities	5,200
Other	<u>8,531</u>
	\$154,874

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE

JUNE 30, 1999

NOTES TO FINANCIAL STATEMENTS

5. PROPERTY AND EQUIPMENT

	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>NET</u>
Buildings and improvements:			
Office and detention	\$ 733,794	\$ 538,709	\$195,085
Group home	155,280	138,492	16,788
Shelter care	310,010	81,705	228,305
Furniture and equipment:			
Office	77,995	60,790	17,205
Detention	99,532	65,658	33,874
Group home	64,639	40,493	24,146
Shelter care	58,360	45,538	12,822
Other	76,381	40,670	35,711
Transportation equipment	<u>52,927</u>	<u>37,696</u>	<u>15,231</u>
	\$1,628,918	\$1,049,751	\$579,167

The depreciation provision for the year ended June 30, 1999 amounted to \$89,457.

6. LEASES AND SUBLEASES

Renaissance leases land and certain buildings from the State of Louisiana, Department of Health and Hospitals under a ninety-nine (99) year lease expiring in 2071. Consideration for the lease is the public benefit to be derived from the operations of Renaissance.

Approximately eighty-five (85) percent of the land area covered under the above lease was subleased on February 16, 1993, at an annual minimum rental of \$22,652. The sublease expired on December 31, 1997, by mutual consent and was renewed for an additional five years with an annual minimum rental of \$25,154. Deferred lease income reflected in Exhibit A resulted from sublease payments received through December, 1999.

In 1988, the Organization entered into an agreement with Randolph A. Mansour and Donald A. Mansour to sublease approximately three-fourths (3/4) of an acre of land for thirty (30) years for purposes of constructing a building thereon to be subleased by them to Central Louisiana Electric Company, Inc. Under the terms of the sublease, minimum rentals are \$160 per month for a period of sixty (60) months minus the construction period months, \$168 per month beginning January 1, 1994, and during the next sixty (60) months, \$177 per month during the next sixty (60) months, \$185 per month during the next sixty (60) months, \$195 per month during the next sixty (60) months, and \$204 per month during the next sixty (60) months. Upon termination of the sublease, any land improvements will revert to Renaissance.

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE

JUNE 30, 1999

NOTES TO FINANCIAL STATEMENTS

Future minimum rentals for land due under the subleases for the five (5) years ending after June 30, 1999, and in the aggregate are as follows:

2000	\$ 27,278
2001	27,278
2002	27,278
2003	14,701
2004	2,172
Thereafter	<u>21,690</u>
	\$120,397

7. RETIREMENT PLAN

Renaissance has a defined contribution plan covering all employees eligible to participate in the plan. The plan, a flexible annuity retirement plan, is funded through a group annuity contract issued by Mutual of America Life Insurance Company. Contributions to the plan are made for the benefit of the employee by the Organization in an amount equal to three (3) percent of an individual's regular annual salary. Contributions to the plan for the year ended June 30, 1999, net of surrender credits, totaled \$16,349.

Surrender credits are generated when a nonvested employee becomes ineligible to participate in the plan through separation of service from the Organization. The administrator of the plan will issue a surrender credit based on contributions made on behalf of the nonvested employee. Total surrender credits issued during the year ended June 30, 1999 were \$2,127.

8. GENERAL

Renaissance received \$750,000 from the parish-wide ad valorem tax during the year ended June 30, 1999. This tax, which was renewed in 1995 and extended to the year 2004, represented approximately 51 percent of the total support and revenue for the current year.

Additionally, Renaissance negotiated a contract with the State of Louisiana Department of Public Safety and Corrections to provide juvenile justice support intervention, which expires December 31, 2002 with an option to extend for an additional two years. Renaissance also negotiated a contract with the State of Louisiana Department of Social Services to provide shelter care crisis intervention, which expires on August 31, 1999. Amounts received from the State totaled \$609,366 or 42 percent of the total support and revenue for the current year.

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE

JUNE 30, 1999

NOTES TO FINANCIAL STATEMENTS

As of June 30, 1999 the Rapides Parish Police Jury held \$313,931 to be disbursed to Renaissance in accordance with contract terms. (See Note 1) This amount is not reflected in the financial statements for the year ended June 30, 1999.

9. SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

Cash in checking and savings accounts and certificates of deposit are deposited with several financial institutions in the Central Louisiana area. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At June 30, 1999 Renaissance's bank balance at one financial institution totaled \$262,120. Part of this balance is secured from risk by \$100,000 of federal deposit insurance. The remaining balance of \$162,120 is collateralized with securities held by the pledging financial institution, but not in Renaissance's name.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**



PAYNE, MOORE & HERRINGTON, LLP

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Community Receiving Home, Inc.
d/b/a Renaissance

We have audited the financial statements of Community Receiving Home, Inc., d/b/a Renaissance (a nonprofit organization) as of and for the year ended June 30, 1999, and have issued our report thereon dated August 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As part of obtaining reasonable assurance about whether Renaissance's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*.

In planning and performing our audit, we considered Renaissance's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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PAYNE, MOORE & HERRINGTON, LLP

Board of Directors
Community Receiving Home, Inc.
d/b/a Renaissance

This report is intended for the information of the board of directors, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Payne, Moore & Herrington, LLP
Certified Public Accountants

August 24, 1999

COMMUNITY RECEIVING HOME, INC.
d/b/a RENAISSANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1999

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? _____ yes x no

Reportable conditions identified
that are not considered to be
material weaknesses? _____ yes x none reported

Noncompliance material to financial
statements noted? _____ yes x no

Prior Year Audit Findings None

Federal Awards Not Applicable